

Prior law required the articles of incorporation of a state bank and a copy of its certificate of authority issued by the office of financial institutions (OFI) to be filed with the secretary of state within 30 days after approval by OFI. New law retains prior law but specifies that the documents must be filed with the secretary of state within 30 days of the issuance of the certificate of authority.

Prior law provided that every bank has three registered agents - the president, the cashier, and the secretary - upon whom service of process is to be made. Prior law further allowed every bank to designate a corporate agent for service of process. New law retains prior law but provides that if a corporate agent for service is designated, service must be made on that designated corporate agent.

Prior law prohibited loans to executive officers of state banks unless the loan is pursuant to a resolution of the board of directors passed prior to making the loan at a meeting at which the borrowing officer was not present or participating. Prohibited the extension of credit to executive officers unless the extension of credit was made on substantially the same terms as those prevailing at the time for comparable transactions by the bank with other persons who were not employed by the bank. New law retains prior law but includes the prohibition against making loans to directors and principal shareholders of state banks unless the same requirements for executive officers are applied or unless the loans to its executive officers, directors, or principal shareholders under similar terms and conditions as offered to other bank employees and to the extent permitted by federal law.

Existing law defines "executive officer". New law defines "director" and "principal shareholder".

Prior law prohibited a corporation, unless it was a bank holding company, from using certain banking terms in its corporate name. New law retains prior law and requires that if a corporation seeking the issuance of a certificate of incorporation includes in its name certain banking terms, prior to issuance of the certificate, the secretary of state must receive satisfactory evidence that written notice was delivered to OFI within 10 days of the issuance of the certificate of incorporation notifying OFI of the application.

New law deletes prior law provision which required state banks to petition the commissioner for an extension of time to dispose of immovable property when the sale of immovable property as required would have resulted in a loss to the bank.

New law deletes prior law provision which allowed a bank, within 10 days of a cease and desist order issued by the commissioner of financial institutions, to request a hearing before a review committee which was composed of members of the Louisiana Bankers Association. Provided that any ruling of the review committee was binding on the commissioner and the bank, but may have been subject to judicial review.

Effective upon signature of governor (July 2, 1999).

(Amends R.S. 6:217(B), 243(B)(2), 285(C)(2), and 289(A) and (B)(1) and R.S. 12:23(E)(1); Repeals R.S. 6:243(C) and 332)